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Lafayette, Louisiana May 2, 2003

Honorable James H. Welsh Commissioner of Conservation Office of Conservation Post Office Box 94275 Baton Rouge, LA 70804-4275

G. C. BLAWSON, JR.

Re:

Cotton Valley Formation, Reservoir A Gray Sand, Reservoir A Ivan Field Bossier Parish, Louisiana

Dear Commissioner Welsh:

Application is hereby made on behalf of KERR-McGEE OIL & GAS ONSHORE LLC, for the calling of a public hearing, after ten (10) days legal notice, to consider evidence relative to the issuance of an Order pertaining to the following matters relating to the Cotton Valley Formation, Reservoir A, in the Ivan Field, Bossier and Webster Parishes, Louisiana, for which rules and regulations were established and drilling and production units were created for the exploration for and production of oil, gas and/or condensate by the 269-D Series of Office of Conservation Orders, including the unit designated CV RA SUI:

- 4. To approve the downhole combination of production from the CV RA SUI and GRAY RA SUI in the wellbore of the Kerr-McGee Hartman 27 No. 1 Well as provided in Office of Conservation Order No. 269-2, effective May 23, 1978.
- 5. Except to the extent herein set forth, to continue in full force and effect the provisions of the 269-D Series of Office of Conservation Orders and the units created thereby.
 - 6. To consider such other matters as may be pertinent.

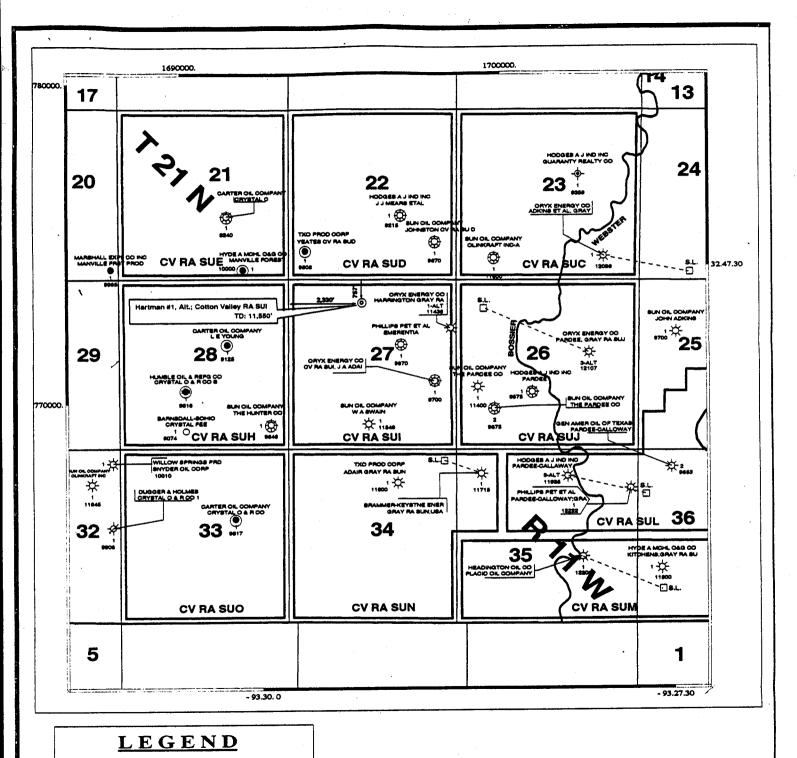
The Cotton Valley Formation, Reservoir A, in the Ivan Field, Bossier and Webster Parishes, Louisiana, was fully defined in Office of Conservation Order No. 269-D, effective October 8, 1976.

The Gray Sand, Reservoir A, in the Ivan Field, Bossier Parish, Louisiana, was previously defined in Office of Conservation Order No. 269-C-1, effective August 6, 1976.

The proposed alternate unit well for the CV RA SUI will permit efficient and economic recovery of hydrocarbons underlying the unit and is needed to satisfy the market demand for gas and condensate from the field. The Hartman 27 No. 1 was designated alternate unit well for the GRAY RA SUI in Office of Conservation No. 269-C-15, effective April 17, 2001. Kerr-McGee plans to complete this well in the Cotton Valley Formation in addition to the Gray Sand and seeks permission to downhole combine production from the two units in which ownership is identical. Office of Conservation Order No. 269-2, effective May 23, 1978, provides that administrative approval for such practice may be granted in this situation.

Attached hereto and made a part hereof is a plat outlining the applicant's proposal along with a list of the names and addresses of the Interested Owners, Represented Parties and Interested Parties to whom a copy of this application is being sent. Pursuant to the Revised Rules of Procedure, such list of parties is being furnished only to the Commissioner of Conservation and to the District Manager of the Shreveport District of the Office of Conservation; however, the list of parties will be provided to any party requesting a copy of it. A reasonable effort was made to ascertain the names and addresses of all Interested Owners, Represented Parties and Interested Parties.

Finally, enclosed herewith is our check on behalf of the applicant in the amount of \$1,510.00.00 made payable to the Office of Conservation representing the required hearing application fee



Outline Cotton Valley

Cotton Valley Producers:

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